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A Follow-up to Our Communications with FedEx Ground
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August 3, 2022

Length - 7:36

Transcribed by Andrea Filar, CSR-8349

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"Trade Association for Logistics

Professionals is not endorsed by and is not recommended by Federal Express Corporation, FedEx Ground, or Amazon. Trade Association for Logistics Contractors is not sponsored by, is not approved by, is not associated with, and has no connection whatsoever with Federal Express Corporation, FedEx Ground, or Amazon."

MR. PATTON: It has been 14 days since the release of my initial video and letter expressing genuine concern about the health of FedEx Ground's network. That story generated nationwide media coverage from both the media, as well as industry analysts such as Bloomberg, Deutsche Bank, and UBS.

Just one week later, John Smith, the CEO of FedEx Ground, released an open letter to some 6,000 FedEx Ground contractors in response. His letter, in my opinion, was completely tone deaf and really revealed how acutely FedEx Ground is out of touch with the economic health of their independent contractors who are essential to the FedEx Ground organization.

His letter also reflects, in my opinion, disregard for FedEx Ground customers who will suffer a loss of services if FedEx Ground drives its independent

1 contractors out of business. FedEx Ground is currently
2 using their power to bully us and their customers.

3 The letter also features several thinly
4 veiled contractual threats against his contractors,
5 something the media picked up on right away. For
6 18-wheeler contractors who have absolutely no contractual
7 ability to request a renegotiation at all, John Smith's
8 letter entirely ignored your challenges.

9 And because many of you have asked me,
10 FedEx Ground additionally sent a cease and desist letter
11 to my attention too full of additional legal threats.
12 You know what all of that tells me? I've got their
13 attention. You are seeing a David versus Goliath story
14 play right in front of your eyes in full Technicolor. We
15 are small businesses of 10 to 25 employees versus a 60
16 billion dollar business.

17 At our Expo on August 20th and 21st we
18 are going to have more than half of all contractors in
19 the United States come together under one roof to discuss
20 exactly these concerns.

21 To the media, come meet our Davids. Come
22 see the people in this industry that are struggling out
23 there trying to make these businesses work. Literally
24 essential workers that are ensuring that the U.S.
25 consumers' packages get delivered. We need your help to

1 tell our story.

2 To Wall Street and industry analysts,
3 come learn from my peers. Sure, I'll be there to teach
4 you, and I'm happy to meet with you one-on-one if you'd
5 like, but I'd like you to hear it from them. Learn their
6 individual stories. Remember that across the United
7 States some small business owners create 99 percent of
8 all jobs. So if you want a true read into the U.S.
9 economy, come hear it from my peers and come learn about
10 why the FedEx Ground network is in significant peril.

11 To the large shareholders of FedEx, come
12 to our Expo. One thing I've received a lot of feedback
13 on from my letter was pointing out that FedEx expanded
14 their margins by more than 30 percent by pushing fuel
15 surcharges on the U.S. consumer but not passing through
16 those charges to their contractors, the very ones
17 consuming the fuel.

18 You can expect to receive video updates
19 from me every 7 to 14 days. In an effort to help you
20 track this story, we're creating a new social media
21 hashtag, which is #purplefriday. We actually came up
22 with this in two different ways. First, FedEx Ground has
23 a Purple Promise that they ensure to their customers via
24 their contractor network. And November 25th of 2022 is
25 Black Friday, a huge e-commerce day. So we married those

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1 two together and came up with #purplefriday.

2 As mentioned earlier, FedEx Ground did
3 send me a cease and desist letter that falsely accuses me
4 of violating the antitrust laws and other misconduct. To
5 clear up FedEx Ground's confusion, I am not calling for
6 any uniform price increase nor uniform prices for every
7 contractor. That would make no sense because every
8 contractor has its own unique set of circumstances. In
9 fact, some contractors have financial needs that far
10 outstrip a mere 20 to 50 cents.

11 As already detailed in my prior video, I
12 have personally requested multiple contractual
13 renegotiations from my own businesses with FedEx Ground,
14 all of which have been denied. For many other
15 contractors just like me, their stories of rejected
16 renegotiation requests are the same.

17 Also contrary to FedEx Ground's
18 allegations, nothing in my letter or videos called for
19 any group boycott of delivery services. I know what
20 decision I will be financially forced to make for my own
21 business on November 25th of 2022, but every contractor
22 is going to have to make their own individual decision
23 about what is best for his or her own business.

24 I am calling for FedEx Ground to
25 recognize that its independent contractors are in

1 financial distress. In an effort to avoid disaster, I am
2 now extending a personal invitation to John Smith to
3 present at our annual Expo on August 20th and 21st and
4 talk about his plan. With more than half of all
5 contractors in the nation scheduled to attend, I have to
6 imagine that FedEx Ground would want to be present.

7 In the meantime, as introduced in my
8 prior video, we are moving forward with the formation of
9 a trade association that will be called the Trade
10 Association for Logistics Professionals. A trade
11 association is not a union, nor is it an effort to
12 collectively bargain. Importantly, the Trade Association
13 in no way, shape, or form violates our operating
14 agreements with FedEx Ground. I've had the best legal
15 minds carefully construct it with an eye towards
16 contractual compliance.

17 The purpose of this Trade Association
18 will be to exercise our constitutionally given First
19 Amendment rights to voice our concerns as an industry,
20 petition for change, and if necessary, participate in
21 legal challenges against FedEx Ground around highly
22 debatable topics such as our current classification as
23 contractors, FedEx's rejection of our entitlement to
24 franchise protection, and driver safety.

25 By the way, I am informed that there is a

1 three-prong test for franchise classification, and we
2 have a very compelling case on all three prongs,
3 especially in light of FedEx Ground's recent introduction
4 of Schedule L. A shift in that classification would be a
5 game changer for us.

6 We will open self-nominations for the
7 Trade Association leadership committee in about 10 days,
8 and we will move forward with inviting all 6,000
9 contractors to vote on who will serve on that committee.
10 Stay tuned for more details via #purplefriday, and I'll
11 see you at the Expo.

12 "Join us at contractor Expo:
13 routeconsultantexpo.com."
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1 CERTIFICATE

2 STATE OF MICHIGAN

3 COUNTY OF MACOMB

4
5 I, Andrea Filar, C.S.R. and Notary Public
6 in and for the County of Macomb, State of Michigan, do
7 hereby certify that the attached is a true, correct, and
8 complete transcript of my stenographic notes taken at the
9 time and place hereinbefore stated and they were
10 transcribed upon a computer under my direct supervision.
11 The undersigned assumes no responsibility for copies not
12 made under my direction or control. September 19, 2022
13
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15 
16

Andrea Filar, CSR - 8349

17 Notary Public, Macomb County

My Commission Expires: 10-01-2028
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[10 - customers]

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